

Georgia Department of Natural Resources

Environmental Protection Division • Air Protection Branch

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Mark Williams, Commissioner

Judson H. Turner, Director

NARRATIVE

TO: Furqan Shaikh

FROM: Anna C. Aponte

DATE: May 29, 2012

Facility Name: **Plant Washington**
AIRS No.: 30300051
Location: Sandersville, GA (Washington County)
Application #: Application No. 21094
Date of Application: April 10, 2012

Background Information

The Utility MATS standard (40 CFR 63 UUUUU) was published in the Federal Register on February 16, 2012 and became effective April 16, 2012.

In accordance with the April 9, 2012 settlement between P4G and petitioners Fall-Line Alliance for a Clean Environment, Ogeechee Riverkeeper, Southern Alliance for Clean Energy, and Sierra Club in appeals before the Office of Administrative Hearings, Docket Nos. OSAH-BNR-AQ-1218695-60-Walker and -1031707-98-Walker, P4G submitted a letter on April 10, 2012 (logged in as Application No. 21094) requesting that EPD amend the permit to include a condition that requires Plant Washington to comply with 40 CFR 63 Subpart UUUUU upon startup and arrange for public notice and an opportunity for public comment on a draft of the amendment. EPD does not believe that notice and comment for this amendment is required by the Georgia Air Quality Act and/or the rules. Notwithstanding, EPD agreed to public notice and comment to facilitate the settlement between P4G and petitioners.

Draft Permit No. 4911-303-0051-P-01-2 is for the sole purpose of satisfying P4G's request pursuant to the settlement that required P4G to apply for and use its best efforts to obtain a Permit Amendment, following public notice and an opportunity for written comment, that requires Plant Washington to comply with 40 CFR Part 63 Subpart UUUUU upon start up. This draft permit amendment was presented for public comment on April 18, 2012.

The public notice announcing EPD's intent to issue the amendment appeared in the Sandersville Progress on April 18, 2012 and through EPD's weekly email notice. In addition, information regarding the permit application, amendment, and public notice was made available on the Air Branch webpage: www.georgiaair.org. The public comment period expired May 18, 2012. EPD received four public comments regarding the proposed permit amendment, and one comment regarding water issues. EPD has carefully considered the comments received. The comments are listed below along with the Division's responses and a discussion of any changes made to the final Permit.

Response to Comments

Excerpts or summaries of the submitted comments are included below. For the complete comment please refer to the permit file.

Comment 1, Summarized (email from Julia Haar): I am opposed to the issuance of the water permits for the proposed coal-fired power plant, Plant Washington. Also urges the Georgia Environmental Protection Division to

protect south Georgia's important water resources for farming, economic development, recreation, and drinking water. Please do not issue the proposed permits for Plant Washington.

EPD Response: The permit amendment that is being proposed is for Air Quality and does not involve any of the Water Quality, Water Discharge or Storm Water permits. Comment so noted.

Comment 2 Summarized (email from Cathy Mayberry): While I agree that the plant should be required to comply with these federal regulations, the amendment is deficient in not identifying how the plant will meet these requirements. In the earlier permit applications, P4G submitted specifications, modeling and analysis that provided support for its application and ensuing permit. This amendment has no such documentation to support it.

To provide anything less than a full and precise accounting of the methodology and process for meeting the MATS is inadequate for the final approval of this amendment to the application for Plant Washington. Georgia's EPD has an obligation to the people of Georgia to apply a high standard of analysis to this amendment and to deny it without the necessary documentation.

EPD Response: The proposed permit amendment is solely for the purpose of establishing that the deadline for compliance by Plant Washington with the Utility MATS (40 CFR 63 UUUUU) is upon startup. P4G filed an application requesting this amendment pursuant to the settlement between P4G and petitioners Fall-Line Alliance for a Clean Environment, Ogeechee Riverkeeper, Southern Alliance for Clean Energy, and Sierra Club that required P4G to apply for and use its best efforts to obtain a Permit Amendment, following public notice and an opportunity for written comment, that requires Plant Washington to comply with 40 CFR Part 63 Subpart UUUUU upon start up. Comments regarding "the methodology and process for meeting the MATS," etc., are beyond the scope of the proposed permit amendment.

Comment 3 Summarized (email from Randy Mayberry): The amendment states that Plant Washington will comply with the requirements of MATS (40 CFR 63 UUUUU) upon startup as P4G agreed to in order to settle ongoing litigation with several petitioners. It is interesting to note that P4G is party to a filing of a motion on April 27 in the US Court of Appeals for the District of Columbia contending that they are unable to begin construction of their plant because the mercury limits are unattainable, but they must begin construction by next April to avoid being subject to unattainable greenhouse gas standards.

How can P4G simultaneously claim that they can meet the MATS rule and at the time claim that meeting the standard is unattainable? I note in the recently drafted amendment that there is no technical assurance that P4G has plans to meet this standard they claim is unattainable. I request that EPD delay the issuance of the amendment until P4G can adequately demonstrate how they plan to meet the MATS with their presently permitted fuel blend.

EPD Response: See response to Comment 2. Comments regarding how P4G plans to meet the MATS, etc., are beyond the scope of the proposed permit amendment.

Comment 4 Summarized (letter from Katherine Helms Cummings, Director of Fall-Line Alliance for a Clean Environment): The current permit for Plant Washington limits mercury emissions to 55.6 pounds per year. Plant Washington developer Dean Alford has now agreed to meeting the MATS rule (40 CFR 63 UUUUU) upon startup, which will reduce mercury emissions to 1.69 pounds per year.

Dean Alford has jointed a filing with US Court of Appeals stating that the emission regulations in the MATS are unattainable. The draft amendment makes no mention of any technical or engineering requirements, or fuel mix, to assure that the standards will be met.

EPD should require Plant Washington to demonstrate their ability to meet the MATS standard before a final permit is issued.

EPD Response: See response to Comment 3.

Comment 5 Summarized (email from Southern Environmental Law Center, and Greenlaw, on behalf of themselves, and Fall-Line Alliance for a Clean Environment, Ogeechee Riverkeeper, Southern Alliance for Clean Energy, and Sierra Club): As a general matter, the commenters support P4G's request and the proposed amendment. Because P4G had not commenced construction prior to the MATS publication date of May 3, 2012, Plant Washington is a "new source" under the rule. Further Plant Washington did not have a final and legally effective case-by-case MACT determination when the final MATS rule was promulgated on February 16, 2012.

Commenters have identified several omissions in the application and with the permitting process.

I – EPD cannot evaluate and verify Plant Washington's ability to comply with the amendment because the permit application lacks critical design elements.

40 CFR 63.5 requires new sources subject to a MACT to submit an application for construction that contains technical information describing the nature, description of the control devices, and estimated control efficiency of each control device. EPD cannot approve the application unless it determines that the facility will not cause emissions in violation of the relevant standard. P4G has not updated its application to demonstrate that Plant Washington will meet the new MATS. The original application did not provide enough detail on control equipment design for EPD to determine if Plant Washington can meet the standard. Therefore, EPD does not have authority to approve the application.

In addition, P4G apparently has no intention to construct or operate the facility.

II- P4G must also obtain approval from EPA

If a state permitting agency conducts a preconstruction review process, as in the case here, the applicant must obtain approval from the Administrator of US EPA, see 40 CFR 63.5(f)

III – EPD should retain any more stringent Case By Case MACT limits

The permit does not purport to delete any of the permits case by case MACT limits, including PM. The permit should be revised to clarify that those limits, and any other more stringent limits, remain applicable and supersede any less stringent requirements of the MATs rule.

IV- EPD Must Reevaluate the Permits BACT limits

The new MACTS limits may have the co-benefit of decreasing PSD pollutant emissions. A control technology that may not be cost effective for BACT alone may be cost effective if its already required by the MACT.

The definition of BACT states that BACT cannot result in emissions that will exceed applicable MACT standards; in the event of a conflict between MACT and BACT, MACT must govern.

V. EPD should strengthen the BACT limits based on the MATS Requirements

Because of the stringent level of control required in the MATS, control device design parameters has to change. EPD must reconsider BACT to determine if these changes will make lower BACT limits cost effective and achievable". According to the MATS, Plant Washington can either limit HCl to 4×10^{-4} lb/MW-hr, or limit its SO₂ emissions to 0.4 lb/MW-hr. It is likely that Plant Washington will choose to limit SO₂. Thus, the BACT limit for SO₂ needs to change as well. Meeting this limit will require a re-evaluation of the scrubber design, and would have additional benefit of reducing Sulfuric Acid mist ("SAM").

EPD Response: See response to Comment 4. Comments regarding EPA approval, additional design information, BACT reassessment, and the retention of 112(g) permit requirements are beyond the scope of the proposed permit amendment.

Summary & Recommendations

In summary, it is recommended that Air Quality Permit No. 4911-303-0051-P-01-2 be issued for the Plant Washington facility. This facility is classified as an A source with SSCP responsible for inspections and complaints.